Appalachian Regional Commission

Guidance on Documentation Required by the ARC Policy on Travel and Tourism for Construction Projects

ARC Travel and Tourism Policy:

ARC will support activities as they relate to the travel and tourism industry in the context of an overall development strategy. Grant proposals to use ARC funds for capital improvement or <u>construction</u> related to travel and tourism must meet both of the following criteria:

    A. *Be an integral part of a <u>strategic plan</u> for the community and/or region,* **and**

    B. *Meet the highest standards of a <u>cost-benefit analysis and/or feasibility study</u> as to economic outcomes.*

A. Part of a Strategic Plan for the Community

Grant proposals to use ARC funds for capital improvement or construction related to travel and tourism should be an integral part of a strategic plan for the community and/or region. Make sure to do the following in your proposal:

- Outline the goals and objectives for a community's growth or future.

- Describe how tourism is part of the community's economic development strategy.

- Provide a set of actions or projects that advance a larger plan.

- Consider whether the project is competing with similar assets within the region.

B. Feasibility / Cost-Benefit / Economic Impact Analysis

Grant proposals to use ARC funds for capital improvement or construction related to travel and tourism should meet the highest standards of a <u>cost-benefit analysis and/or feasibility study</u> as to economic outcomes. Make sure to do the following in your proposal:

Market Analysis

- Evaluate the demand or need for a specific project.

- Analyze existing competition in the region.

Economic Impact

- Clearly show the projected impact of a project.

- Show how the impact will be tracked and measured long-term.

Feasibility

- Assess the likelihood of a project's success.

- Estimate the cost of the implementation project.

- Include a plan for managing the project's long-term maintenance needs.

- Consider whether alternatives could be more cost- or time-effective.

What projects must meet this requirement?

Tourism projects that involve construction activities meet the requirement.

Best Practices for Impact Analyses

The report or findings should be from a credible source with relevant expertise; recent (within the last three years); relevant to, and specifically about, the proposed project; and focus on the same or similar geographic scope.

Economic Impact Data Resources

There are many reliable information sources that can be used to support a project. ARC has published reports on the impact of tourism in the Appalachian Region. Federal agencies like the Economic Development Administration (EDA) and the Census Bureau regularly produce reports on local demographics and economic metrics. State tourism offices often produce studies relating to specific regions or industries, as do local universities and community colleges. Many local or state "main street" organizations have also published studies about tourism, heritage, culture, and other topics. Your town or region's various current strategic plans might include analysis that supports your project.

ARC encourages applicants to check the credibility of the organizations producing the relevant data.

Other Considerations

- A local comprehensive plan or community economic development strategy (CEDS) helps communities identify priorities and explain why tourism is part of their overall economic development strategy (Part A of the ARC Travel and Tourism policy), but they almost never demonstrate the specific costs and benefits of a particular project scope (Part B of the ARC Travel and Tourism Policy).

- Performance measures are a requirement of all ARC projects. When submitting a proposal, applicants are asked to select outputs and/or outcomes that result from the project and to set numerical goals for each. Applicants should explain how the impacts estimated in their project analysis translate into ARC outputs and outcomes, and how ARC's measures (such as new visitor days or revenues increased) will be tracked over time. Applicants can find more information in ARC's Performance Measures Guide.